

Message Text

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ORIGIN XMB-04

INFO OCT-01 AF-10 ISO-00 EB-07 L-03 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 /059 R

FSE
EXIMBANK

DRAFTED BY XM GC:: CEGABA:JBH
APPROVED BY EB/IFD/ODF:FHTHOMAS
XM GC: WWGLICK
EB/IFD/OMA:BGCROWE
AF/C:EMARKS
-----260047Z 044115 /62
R 252014Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY KINSHASA

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E.O. 11652:N/A

TAGS: EFIN, CG, US

SUBJECT: EXIM IMPLEMENTING AGREEMENT FOR PARIS CLUB
RESCHEDULING

REF: (A) KINSHASA 2662 (B) KINSHASA 4188

1. WE HAVE FOLLOWING RESPONSE TO QUESTIONS RAISED IN REF A
CONCERNING EXIMBANK IMPLEMENTING AGREEMENT:

A. PARA 2. NOW THAT COMMERCIAL BANKS HOLDING EXIMBANK'S
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GUARANTEE HAVE BEEN PAID, ATTACHMENTS AND PROMISSORY NOTES
CAN AND ARE BEING PREPARED AND WILL BE POUCHED OUT TO YOU
ASAP.

B. PARA 3. EXIM FOR ITS PART WILL WANT TO SIGN ITS
IMPLEMENTING AGREEMENTS IN ENGLISH. AS TO REQUIREMENT THAT
NOTICES ETC. BE SUBMITTED IN ENGLISH, WE WILL INSIST ON
RIGHT TO RECEIVE THEM IN THAT LANGUAGE. AS A PRACTICAL

MATTER, HOWEVER, IT IS OFTEN NECESSARY TO WAIVE SUCH REQUIREMENTS AND THIS TYPE OF REQUIREMENT RARELY CAUSES PROBLEMS.

C. PARA 4. AGAIN EXIM WILL WISH TO RETAIN IN THE AGREEMENT ITS RIGHT TO BE REIMBURSED FOR ITS EXPENSES. BUT, AS EMBOFFS AWARE, IT IS NOT EXIM'S POLICY TO SEEK SUCH REIMBURSEMENT. SINCE CLAUSE HAS NOT CAUSED PROBLEMS IN THE PAST, IT SHOULD NOT DO SO NOW.

D. PARA 5. SINCE ALMOST ALL OF THE INDEBTEDNESS BEING RESCHEDULED WAS EITHER THE DIRECT DEBT OF OR GUARANTEED BY THE REPUBLIC OF ZAIRE UNDER THAT NAME, WE DO NOT BELIEVE IT WISE OR APPROPRIATE TO ENTER INTO AN AGREEMENT WITH A DIFFERENT ENTITY.

E. PARA 6. EXIM IS PREPARED TO DROP THE REQUIREMENT THAT GOZ PROVIDE COPIES OF OTHER CONSOLIDATION AGREEMENTS PROVIDED WE ARE ASSURED WE CAN OBTAIN THEM FROM OTHER SOURCES WITHIN USG.

F. PARA 7. ASSUMPTIONS OF EMBOFFS CONCERNING EXPORTER RETENTIONS ARE CORRECT INCLUDING FACT THAT DEFINITION IN ARTICLE I(G) SHOULD BE "LENDERS RETENTIONS". AT THIS POINT IT IS EXPECTED THAT NO "LENDER RETENTIONS" WILL BE INCLUDED IN THIS REFUNDING, BUT POSSIBILITY REMAINS AND MUST BE PROVIDED FOR IN THE AGREEMENT. IT WOULD NOT SEEM NECESSARY FOR GOZ TO HAVE ASSURANCES FROM OWNERS OF LENDER'S LIMITED OFFICIAL USE

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RETENTIONS CONSENTING TO THEIR INCLUSION IN EXIM'S RESCHEDULING SINCE EXIM WOULD BE INCLUDING THEM AT SUCH OWNERS REQUEST. AS TO WHETHER SUCH RETENTIONS PROPERLY FALL WITHIN PARIS CLUB AGREEMENT, THIS IS DIFFICULT TO STATE POSITIVELY. THEY WERE INCLUDED IN THE CASE OF CHILE. IN ANY EVENT, IF GOZ OR SUCH LENDERS WANTED THEM EXCLUDED, WE WOULD HAVE TO AGREE.

G. PARA 8. AMOUNTS DUE EXIM BY PRIVATE BUYERS AND NOT PAID BECAUSE OF AN INABILITY TO OBTAIN FOREIGN EXCHANGE AT THE CENTRAL BANK (ASSUMING DEPOSIT OF REQUIRED LOCAL CURRENCY) CLEARLY FALL WITHIN SCOPE OF PARIS CLUB AGREEMENT AND ARE PROPERLY INCLUDED IN A GOVERNMENT-TO-GOVERNMENT RESCHEDULING.

H. PARA 9. YOUR POINT IS WELL TAKEN AND WE WILL ADD TO PARA B(3) OF ARTICLE III THE WORDS " , EXCEPT REASONABLE COMPENSATION SATISFACTORY TO EXIMBANK FOR BONA FIDE PROFESSIONAL OR OTHER COMPARABLE SERVICES INCIDENT TO THE ESTABLISHMENT OR TO THE OPERATION OF THIS REFUNDING".

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Message Attributes

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